



**SPECIFIC INSTRUCTIONS
for the completion of the:
FISCAL YEAR 2020
PRIMARY HOME CARE
REQUEST FOR REVISION REPORT**

For assistance with the completion of the Request for Revision Report, contact the Rate Analysis Department Customer Information Center at RAD-LTSS@hhsc.state.tx.us or 512-424-6637.

For assistance in submitting the electronic Request for Revision Report, contact the Rate Analysis Department Help Line at costinformation@hhsc.state.tx.us or (512) 438-2680.

Purpose of Request for Revision Report

The purpose of the Request for Revision Report (RFR) is to gather information for the Texas Health and Human Services Commission (HHSC) to use in determining if a provider met a higher attendant compensation level for the reporting period than the level it met on its most recently audited report functioning as its fiscal year 2016 Cost Report.

Who must complete this report?

All providers requesting a revision of their enrollment limitation for the fiscal year 2020 enrollment period (September 1, 2019 – August 31, 2020) must complete this report.

General

Except where otherwise noted, this RFR is governed by all rules and instructions pertaining to the completion of your Texas Primary Home Care (PHC) Cost Report. Refer to:

- Cost Determination Process Rules at Title 1 of the Texas Administrative Code (TAC) §§355.101-.111;
- Attendant Compensation Rate Enhancement Rules at 1 TAC §355.112;
- Primary Home Care program-specific rules at 1 TAC §355.5902;
- Training for the 2020 Cost Reports; and
- Specific Instructions for the Completion of the 2020 Primary Home Care Cost Report.

DUE DATE

This report is due to HHSC by **July 31, 2019**. The RFR report is now online.

If the RFR report is not submitted by the due date, the enrollment limitation specified on the fiscal year 2019 "Enrollment Limitation List" will apply.

WEBSITE

An electronic version of the 2020 RFR is available on our website at:

<https://rad.hhs.texas.gov/long-term-services-supports>

Once you enter the website, click on the link to "Primary Home Care", then scroll down to the heading "Rate Enhancement – Attendant Compensation", click on "View 2020 Rate Enhancement – Attendant Compensation information". Then under the heading of "2020 Enrollment Limitations Information," click on "View the Request for Revision Report and Instructions", and select "Complete the RFR".

REPORTING PERIOD

The reporting period is **September 1, 2018 through April 30, 2019**. The report must be completed for the entire reporting period.

ROUNDING MONETARY AMOUNTS

All reported monetary amounts should be rounded to the nearest whole number (with no zeros included for "cents"). For example, \$25.49 should be rounded to \$25 and \$25.50 should be rounded to \$26. RFRs submitted without proper rounding of monetary amounts may be returned for proper completion.

ROUNDING STATISTICAL AMOUNTS

Statistical data (i.e., hours, units and miles) must be reported to two decimal places. For example, when reporting the hours paid for Priority attendants, 150 hours and 30 minutes would be reported as 150.50 hours and 150 hours and 20 minutes would be reported as 150.33 hours. RFRs submitted without appropriate decimal places may be returned for proper completion.

ACCOUNTING METHOD

All information submitted on the RFR must be based on an accrual method of accounting, except where otherwise specified. Governmental entities may report on a cash basis or modified accrual basis.

COST ALLOCATION METHODS

Refer to the Cost Determination Process Rules for information concerning allowable allocation methods and requirements for adequate allocation summaries.

FICA/Medicare, unemployment, worker's compensation premiums and paid claims and employee health paid claims may be allocated to attendants based on payroll or direct costed. Health insurance premiums, life insurance premiums and other employee benefits must be direct costed.

1 TAC §355.102(j) and §355.105(b)(2)(B)(v)

REPORT CERTIFICATION

Contracted providers must certify the accuracy of the RFR submitted to HHSC. Contracted providers may be liable for civil penalties, criminal penalties and/or imprisonment if the RFR is not completed according to HHSC requirements or if the information is misrepresented and/or falsified. Before signing the certification pages, carefully read the certification statements to ensure that the signers have complied with the reporting requirements. The Methodology Certification advises preparers that they may lose the authority to prepare future reports if reports are not prepared in accordance with all applicable rules, instructions and mandatory training materials.

NOTE: any report submitted without original signed Certification and Methodology Certification pages will be returned to the provider. Copies, faxes and e-mails will not be accepted.

Definitions

Accrual Accounting Method – Accrual method of accounting in which revenues are recorded in the period in which they are earned, and expenses are recorded in the

period in which they are incurred. If a provider operates on a cash basis, it will be necessary to convert from cash to accrual basis for reporting purposes. Care must be taken to ensure that a proper cutoff of accounts receivable and accounts payable occurred both at the beginning and ending of the reporting period. Amounts earned although not actually received and amounts owed to employees and creditors but not paid should be included in the reporting period in which they were earned or incurred. Allowable expenses properly accrued during the reporting period must be paid within 180 days after the end of the reporting period in order to remain allowable costs for reporting purposes. If accrued expenses are not paid within 180 days after the end of the reporting period, the expense is unallowable and should not be reported on the report.

In situations where a contracted provider, any of its controlling entities, its parent company/sole member, or its related-party management company has filed for bankruptcy protection, the contracted provider may request an exception to the 180-day requirement for payment of accrued allowable expenses by submitting a written request to the Rate Analysis Department of HHSC. The written request must be submitted within 60 days of the date of the bankruptcy filing or at least 60 days prior to the due date of the report for which the exception is being requested, whichever is later. The contracted provider will then be requested by the Rate Analysis Department to provide certain documentation, which must be provided by the specified due date. Such exceptions due to bankruptcy may be granted for reasonable, necessary and documented accrued allowable expenses that were not paid within the 180-day requirement.

Attendant - the unlicensed caregiver providing direct assistance to the clients with Activities of Daily Living (ADLs) and Instrumental Activities of Daily Living (IADLs). Attendants do not include the director, administrator, assistant director, assistant administrator, clerical and secretarial staff, professional staff, other administrative staff, licensed staff or attendant supervisors unless they are delivering attendant services that cannot be delivered by another attendant, to prevent a break in service. To be allowable for the Attendant Compensation Rate Enhancement, attendant expenses must be direct costed. Direct costing requires daily timesheets documenting time spent performing attendant services for the contract.

Contract Labor - personnel for whom the contracted provider is not responsible for the payment of payroll taxes (such as FICA, FUTA and TUCA).

Contracted Provider - the business component with which DADS contracts for the provision of PHC services.

Controlling Entity - the individual or organization that owns the contracting entity.

Mileage Reimbursement - reimbursement paid to the attendant for the use of his or her personal vehicle and which is not subject to payroll taxes.

Related Party - a person or organization related to the contracted provider by blood/marriage, common ownership, or any association which permits

either entity to exert power or influence, either directly or indirectly, over the other. In determining whether a related-party relationship exists with the contracted provider; the tests of common ownership and control are applied separately. Control exists where an individual or organization has the power, directly or indirectly, to significantly influence or direct the actions or policies of an organization or institution. If the elements of common ownership or control are not present in both organizations, the organizations are deemed not to be related to each other. The existence of an immediate family relationship will create an irrefutable presumption of relatedness through control or attribution of ownership or equity interests where the significance tests are met. The following persons are considered immediate family for cost-reporting purposes: (1) husband and wife; (2) natural parent, child and sibling; (3) adopted child and adoptive parent; (4) stepparent, stepchild, stepsister, and stepbrother; (5) father-in-law, mother-in-law, brother-in-law, son-in-law, sister-in-law, and daughter-in-law; (6) grandparent and grandchild; (7) uncles and aunts by blood or marriage; (8) first cousins, and (9) nephews and nieces by blood or marriage. Disclosure of related-party information is required for all allowable costs reported by the contracted provider.

Workers' Compensation - for reporting purposes, the actual costs paid by the contracted provider during the reporting period related to employee on-the-job-injury (such as commercial insurance premiums or the medical bills paid on behalf of an injured employee).

Cover Sheet

Contracted Provider Identification

Each provider must complete the Contract Provider Identification section. Enter the name, address, phone number, fax number, and email address of the contracted provider.

Mailing Address

Enter the mailing address for the Contracted Provider.

Contracting Entity Information

Enter the Contracting Entity Name, the physical address, phone number, fax number and email address of the contracted provider.

Location of Accounting Records

Enter the address of the location of your company's accounting records.

Contact Information

Enter the contact name, title, organization, address, phone number, fax number and email address for the contact for your company. The contact person is the employee of the provider, contracting entity, controlling entity, parent company, sole member, governmental body or related-party management company that is designated to be contacted concerning information reported on the RFR. The contact person should be able to answer questions about the contents of your contract's RFR that arise during

the HHSC Rate Analysis Department's analysis process

Preparer Information

Enter the contact name, title, organization, address, phone number, fax number and email address for the preparer of this report.

General Information

Texas County Code in Which Accounting Records are Located

Report the 3-digit county code for the Texas County in which the accounting records and supporting documentation used to prepare this compensation report is located. Select your county code from the drop-down menu. If the accounting records are located outside the state of Texas, enter "999".

Preparer of this report attended the required annual Report Training last year.

Check "Yes" if the Preparer attended the required training. Cost Report training attendance will be verified by HHSC Rate Analysis. Reports submitted by preparers who have not completed the proper cost report training will not be considered acceptable reports. Such reports will not be processed until the required cost report training has been completed.

Total number of other State of Texas contracts

If the contracting entity holds any other contracts that are participating in the Attendant Compensation Rate Enhancement, report the total number of contracts in the box provided and list the type of contract (i.e., CLASS, DAHS, RC, DBMD) with its 9-digit contract number in the space provided.

Address to send all future correspondence for this report

Select the address to which you want all future correspondence concerning this report to be mailed. The two choices correspond to the addresses of the contracted entity and the contracted provider.

Owner-Employee or Other Related-Party Expenses

Check "Yes" if you are including the cost of owner-employees or other related party employees functioning as attendants on this report.

Check "Yes" if you are including of services purchased from a related party individual or organization on this report.

Allocation of Expenses

Check "Yes" if you are including expenses that are the result of the allocation of expenses. The allocation summary must be submitted.

All Other State Contracts List

If you indicated you had other State of Texas contracts, report the contract number and select the type of program from the drop-down list.

Priority Attendants

Number of Miles Reimbursed - Priority

Report the number of miles reimbursed for attendants providing Priority services. The reimbursement per mile will be checked by HHSC against the maximum allowed by the state.

Mileage Reimbursement - Priority

Report the mileage reimbursement paid to attendants providing Priority services. Refer to the DEFINITIONS section regarding mileage reimbursement. The amount of mileage reimbursement reported in this item will be divided by the number of miles reported to verify mileage reimbursement ceilings. Allowable mileage reimbursement cannot exceed the reimbursement rate applicable for the reporting period as set by the Texas Legislature for state employee travel.

Paid Hours – Priority

Report the total number of hours paid for Priority attendants, including hours for training, paid leave, or travel time between clients. The hours reported in this line item should reconcile to your payroll ledger for total hours worked. You must be able to provide a reconciliation between total hours paid for delivering services, total paid hours, and units of service provided, including a detailed explanation of the variances.

Report the total number of hours paid to other staff delivering Priority attendant services. Do not include training, paid leave, or other paid hours in this item. Reported hours must be associated with allowable costs as defined in 1 TAC §355.103(b)(1). Report all hours to **two** decimal places.

Report the total number of hours paid to Priority contracted attendants and contracted Other Staff delivering Priority attendant services.

Salaries and Wages – Priority

Report accrued attendant salaries and wages for Priority attendants. Report accrued salaries and wages for other staff delivering Priority attendant services. Report only salaries and wages for individuals employed by the provider for whom FICA contributions are made. See the DEFINITIONS section for the definition of an attendant and for requirements pertaining to staff members functioning in more than one capacity. Salaries and wages include overtime, bonuses, and taxable fringe benefits such as accrued/taken vacation, accrued/taken sick leave, and other allowances.

1 TAC §355.103(b)(1)(A)(iii)(II)

Report accrued contracted attendant salaries and wages for Priority attendants. Report accrued salaries and wages for contracted other staff delivering Priority attendant services.

Payroll Taxes – FICA and Medicare

Report both FICA and Medicare taxes for Priority attendants and other staff delivering Priority attendant services.

Payroll Taxes - State and Federal Unemployment

Report both federal (FUTA) and state (TUCA) unemployment expenses for Priority attendants and other staff delivering Priority attendant services.

Workers' Compensation – Insurance (WCI) Premiums

If your contract, any of its controlling entities, or its parent company/sole member is a subscriber to the Workers' Compensation Act, report the WCI premiums paid to your commercial insurance carrier for Priority attendants and other staff delivering Priority attendant services. Premium costs include the base rate, any discounts for lack of injuries, any refunds for prior period overpayments, any additional modifiers and surcharges for experiencing high numbers of injuries (such as being placed in a risk pool).

If your contract, any of its controlling entities, or its parent company/sole member is not a subscriber to the Workers' Compensation Act, there are alternate insurance premium costs that can be reported in this item. Acceptable alternate insurance policies include industrial accident policies and other similar types of coverage for employee on-the-job injuries. Health insurance is not worker's compensation and should be reported in item for Employee Benefits - Health Insurance. If your commercially-purchased insurance policy does not provide total coverage and has a deductible and/or coinsurance clause, any deductibles and/or coinsurance payments made by the employer on behalf of the employee would be considered paid claims (i.e., self-insurance) and must be reported in item Worker's Compensation - Paid Claims.

Workers' Compensation - Paid Claims

Report medical claims paid for employee on-the-job injuries for Priority attendants and other staff delivering Priority attendant services. If you were not a subscriber to the Workers' Compensation Act (i.e., traditional workers' compensation insurance policy), and you paid workers' compensation claims for employee on-the-job injuries for the staff whose salaries and wages are reported above, report the amount of claims paid in this item. If you maintained a separate banking account for the sole purpose of paying your workers' compensation claims for employee on-the-job injuries (i.e., a nonsubscriber risk reserve account), the contributions made to this banking account are not allowable. Paid claims may be direct costed or allocated based upon payroll. If paid claims are allocated, an acceptable allocation summary must be attached.

Employee Benefits - Health Insurance

Report employer-paid health insurance for Priority attendants and other staff delivering Priority attendant services whose salaries and wages are reported above. Employer-paid health insurance premiums must be direct costed.

Employee Benefits - Life Insurance

Report employer-paid life insurance for

Priority attendants and other staff

delivering Priority attendant services whose salaries and wages are reported above. Employer-paid life insurance premiums must be direct costed.

Employee Benefits - Other Benefits

Report any employer-paid disability insurance and retirement contributions for Priority attendants and other staff delivering Priority attendant services whose salaries and wages are reported above. These benefits must be direct costed. The contracted provider's unrecovered cost of meals and room-and-board furnished to direct care staff, uniforms, staff personal vehicle mileage reimbursement, job-related training reimbursements and job certification renewal fees are not to be reported as benefits; unless they are subject to payroll taxes, in which case they are to be reported as salaries and wages. Other than mileage reimbursement for client transportation, costs that are not employee benefits and are not subject to payroll taxes are not to be reported on the RFR; these costs may be reported on the provider's cost report in the appropriate items. In the space provided, describe the amount and type of each benefit comprising the total amount reported.

1 TAC §355.103(b)(1)(A)(iii)(II)

Non-Priority Attendants

Number of Miles Reimbursed - Non-Priority

Report the number of miles reimbursed for attendants providing Non-Priority services. The reimbursement per mile will be checked by HHSC against the maximum allowed by the state.

Mileage Reimbursement - Non-Priority

Report the mileage reimbursement paid to attendants providing Non-Priority services. Refer to the DEFINITIONS section regarding mileage reimbursement. The amount of mileage reimbursement reported in this item will be divided by the number of miles reported to verify mileage reimbursement ceilings. Allowable mileage reimbursement cannot exceed the reimbursement rate applicable for the reporting period as set by the Texas Legislature for state employee travel.

Paid Hours – Non-Priority

Report the total number of hours paid for Non-Priority attendants, including hours for training, paid leave, or travel time between clients. The hours reported in this line item should reconcile to your payroll ledger for total hours worked. You must be able to provide a reconciliation between total hours paid for delivering services, total paid hours, and units of service provided, including a detailed explanation of the variances.

Report the total number of hours paid to other staff delivering Non-Priority attendant services. Do not include training, paid leave, or other paid hours in this item. Reported hours must be associated with allowable costs as defined in 1 TAC §355.103(b)(1). Report all hours to **two** decimal places.

Report the total number of hours paid to Non-Priority contracted attendants and contracted Other Staff delivering Non-Priority attendant services.

Salaries and Wages – Non-Priority

Report accrued attendant salaries and wages for Non-Priority attendants. Report accrued salaries and wages for other staff delivering Non-Priority attendant services. Report only salaries and wages for individuals employed by the provider for whom FICA contributions are made. See the DEFINITIONS section for the definition of an attendant and for requirements pertaining to staff members functioning in more than one capacity. Salaries and wages include overtime, bonuses, and taxable fringe benefits such as accrued/taken vacation, accrued/taken sick leave, and other allowances in accordance with 1 TAC §355.103(b)(1)(A)(iii)(II).

Report accrued contracted attendant salaries and wages for Non-Priority attendants. Report accrued salaries and wages for contracted other staff delivering Non-Priority attendant services.

Payroll Taxes – FICA and Medicare

Report both FICA and Medicare taxes for Non-Priority attendants and other staff delivering Non-Priority attendant services.

Payroll Taxes - State and Federal Unemployment

Report both federal (FUTA) and state (TUCA) unemployment expenses for Non-Priority attendants and other staff delivering Non-Priority attendant services.

Workers' Compensation – Insurance (WCI) Premiums

If your contract, any of its controlling entities, or its parent company/sole member is a subscriber to the Workers' Compensation Act, report the WCI premiums paid to your commercial insurance carrier for Non-Priority attendants and other staff delivering Non-Priority attendant services. Premium costs include the base rate, any discounts for lack of injuries, any refunds for prior period overpayments, any additional modifiers and surcharges for experiencing high numbers of injuries (such as being placed in a risk pool).

If your contract, any of its controlling entities, or its parent company/sole member is not a subscriber to the Workers' Compensation Act, there are alternate insurance premium costs that can be reported in this item. Acceptable alternate insurance policies include industrial accident policies and other similar types of coverage for employee on-the-job injuries. Health insurance is not worker's compensation and should be reported in item for Employee Benefits - Health Insurance. If your commercially-purchased insurance policy does not provide total coverage and has a deductible and/or coinsurance clause, any deductibles and/or coinsurance payments made by the employer on behalf of the employee would be considered paid claims (i.e., self-insurance) and must be reported in item Worker's Compensation - Paid Claims.

Workers' Compensation - Paid Claims

Report medical claims paid for

employee on-the-job injuries for

Non-Priority attendants and other staff delivering Non-Priority attendant services. If you were not a subscriber to the Workers' Compensation Act (i.e., traditional workers' compensation insurance policy), and you paid workers' compensation claims for employee on-the-job injuries for the staff whose salaries and wages are reported in items above, report the amount of claims paid in this item. If you maintained a separate banking account for the sole purpose of paying your workers' compensation claims for employee on-the-job injuries (i.e., a nonsubscriber risk reserve account), the contributions made to this banking account are not allowable. Paid claims may be direct costed or allocated based upon payroll. If paid claims are allocated, an acceptable allocation summary must be attached.

Employee Benefits - Health Insurance

Report employer-paid health insurance for Non-Priority attendants and other staff delivering Non-Priority attendant services whose salaries and wages are reported above. Employer-paid health insurance premiums must be direct costed.

Employee Benefits - Life Insurance

Report employer-paid life insurance for Non-Priority attendants and other staff delivering Non-Priority attendant services whose salaries and wages are reported above. Employer-paid life insurance premiums must be direct costed.

Employee Benefits - Other Benefits

Report any employer-paid disability insurance and retirement contributions for Non-Priority attendants and other staff delivering Non-Priority attendant services whose salaries and wages are reported above. These benefits must be direct costed. The contracted provider's unrecovered cost of meals and room-and-board furnished to direct care staff, uniforms, staff personal vehicle mileage reimbursement, job-related training reimbursements and job certification renewal fees are not to be reported as benefits; unless they are subject to payroll taxes, in which case they are to be reported as salaries and wages. Other than mileage reimbursement for client transportation, costs that are not employee benefits and are not subject to payroll taxes are not to be reported on the RFR; these costs may be reported on the provider's cost report in the appropriate items. In the space provided, describe the amount and type of each benefit comprising the total amount reported

1 TAC §355.103(b)(1)(A)(iii)(II)

STAR + Plus Attendants

Number of Miles Reimbursed - STAR+PLUS

Report the number of miles reimbursed for attendants providing STAR+PLUS attendant services. The reimbursement per mile will be checked by HHSC against the maximum allowed by the state.

Mileage Reimbursement - STAR+PLUS

Report the mileage reimbursement paid to attendants providing STAR+PLUS attendant services. Refer to the DEFINITIONS section regarding mileage reimbursement. The

amount of mileage reimbursement reported in this item will be divided by the number of miles reported to verify mileage reimbursement ceilings. Allowable mileage reimbursement cannot exceed the reimbursement rate applicable for the reporting period as set by the Texas Legislature for state employee travel.

Paid Hours – STAR+PLUS

Report the total number of hours paid for STAR+PLUS attendants, including hours for training, paid leave, or travel time between clients. The hours reported in this line item should reconcile to your payroll ledger for total hours worked. You must be able to provide a reconciliation between total hours paid for delivering services, total paid hours, and units of service provided, including a detailed explanation of the variances.

Report the total number of hours paid to other staff delivering STAR+PLUS attendant services. Do not include training, paid leave, or other paid hours in this item. Reported hours must be associated with allowable costs as defined in 1 TAC §355.103(b)(1). Report all hours to **two** decimal places.

Report the total number of hours paid to STAR+PLUS contracted attendants and contracted Other Staff delivering STAR+PLUS attendant services.

Salaries and Wages – STAR+PLUS

Report accrued attendant salaries and wages for STAR+PLUS attendants. Report accrued salaries and wages for other staff delivering STAR+PLUS attendant services. Report only salaries and wages for individuals employed by the provider for whom FICA contributions are made. See the DEFINITIONS section for the definition of an attendant and for requirements pertaining to staff members functioning in more than one capacity. Salaries and wages include overtime, bonuses, and taxable fringe benefits such as accrued/taken vacation, accrued/taken sick leave, and other allowances in accordance with 1 TAC §355.103(b)(1)(A)(iii)(II).

Report accrued contracted attendant salaries and wages for STAR+PLUS attendants. Report accrued salaries and wages for contracted other staff delivering STAR+PLUS attendant services.

(Payroll Taxes – FICA and Medicare)

Report both FICA and Medicare taxes for STAR+PLUS attendants and other staff delivering STAR+PLUS attendant services.

Payroll Taxes - State and Federal Unemployment

Report both federal (FUTA) and state (TUCA) unemployment expenses for STAR+PLUS attendants and other staff delivering STAR+PLUS attendant services.

Workers' Compensation – Insurance (WCI) Premiums

If your contract, any of its controlling entities, or its parent company/sole member is a subscriber to the Workers' Compensation Act, report the WCI premiums paid to your commercial insurance carrier for STAR+PLUS attendants and other staff delivering STAR+PLUS attendant services. Premium costs include the base rate, any discounts for lack of injuries, any refunds for prior period overpayments, any

additional modifiers and surcharges for experiencing high numbers of injuries (such as being placed in a risk pool).

If your contract, any of its controlling entities, or its parent company/sole member is not a subscriber to the Workers' Compensation Act, there are alternate insurance premium costs that can be reported in this item. Acceptable alternate insurance policies include industrial accident policies and other similar types of coverage for employee on-the-job injuries. Health insurance is not worker's compensation and should be reported in item for Employee Benefits - Health Insurance. If your commercially-purchased insurance policy does not provide total coverage and has a deductible and/or coinsurance clause, any deductibles and/or coinsurance payments made by the employer on behalf of the employee would be considered paid claims (i.e., self-insurance) and must be reported in item Worker's Compensation - Paid Claims.

Workers' Compensation - Paid Claims

Report medical claims paid for employee on-the-job injuries for STAR+PLUS attendants and other staff delivering STAR+PLUS attendant services. If you were not a subscriber to the Workers' Compensation Act (i.e., traditional workers' compensation insurance policy), and you paid workers' compensation claims for employee on-the-job injuries for the staff whose salaries and wages are reported in items above, report the amount of claims paid in this item. If you maintained a separate banking account for the sole purpose of paying your workers' compensation claims for employee on-the-job injuries (i.e., a nonsubscriber risk reserve account), the contributions made to this banking account are not allowable. Paid claims may be direct costed or allocated based upon payroll. If paid claims are allocated, an acceptable allocation summary must be attached.

Employee Benefits - Health Insurance

Report employer-paid health insurance for STAR+PLUS attendants and other staff delivering STAR+PLUS attendant services whose salaries and wages are reported above. Employer-paid health insurance premiums must be direct costed.

Employee Benefits - Life Insurance

Report employer-paid life insurance for STAR+PLUS attendants and other staff delivering STAR+PLUS attendant services whose salaries and wages are reported above. Employer-paid life insurance premiums must be direct costed.

Employee Benefits - Other Benefits

Report any employer-paid disability insurance and retirement contributions for STAR+PLUS attendants and other staff delivering STAR+PLUS attendant services whose salaries and wages are reported above. These benefits must be direct costed the contracted provider's unrecovered cost of meals and room-and-board furnished to direct care staff, uniforms, staff personal vehicle mileage reimbursement, job-related training reimbursements and job certification renewal fees are not to be reported as benefits; unless they are subject to payroll taxes, in which case they are to be reported as salaries and wages. Other than mileage reimbursement for client transportation, costs that are not employee benefits and are not subject to payroll taxes

are not to be reported on the RFR; these costs may be reported on the provider's cost report in the appropriate items. In the space provided, describe the amount and type of each benefit comprising the total amount reported.

1 TAC §355.103(b)(1)(A)(iii)(II)

Units of Service

Priority Units of Service

Report the total number of units of PHC services **(with two decimal places)** **PROVIDED** by your attendants to all individual clients during the reporting period, according to the specified client category (Priority, Private/Other). **This does not mean the number of PHC hours of service billed!** In addition to the billed units of service, you should include units of service provided for which you may never be reimbursed (e.g., service provided to a client whose doctor's orders are not up-to-date). Report units of service to two decimal places.

Non-Priority Units of Service

Report the total number of units of PHC services **(with two decimal places)** **PROVIDED** by your attendants to all individual clients during the reporting period, according to the specified client category (Nonpriority, Private/Other). **This does not mean the number of PHC hours of service billed!** In addition to the billed units of service, you should include units of service provided for which you may never be reimbursed (e.g., service provided to a client whose doctor's orders are not up-to-date). Report units of service to two decimal places.

STAR+PLUS Units of Service

Report the total number of units of PHC services **(with two decimal places)** **PROVIDED** by your attendants to all STAR+PLUS clients during the reporting period. Report only the units of service that are covered under the description of PHC services. Do not include additional services such as skilled nursing or therapies, even if they were provided to a PHC client. Report units of service to two decimal places.

Schedule A: Reserved for Future Use

Schedule B:

See 1 TAC §355.102(i) for specific details and requirements on related-party transactions.

The purchase of services from related organizations or related individuals by the provider or the provider's central office must be reported as related-party transactions on Schedule B.

Expenses in related-party transactions are allowable at the cost to the related

organization; however, the cost must not exceed the price of comparable services that could be purchased elsewhere in an arm's-length transaction. The related organization's costs include all reasonable costs, direct and indirect, incurred in the furnishing of services to the provider. The intent is to treat the costs incurred by the supplier as if they were incurred by the contracted provider itself. Therefore, if a cost would be unallowable if incurred by the contracted provider itself, it would be similarly unallowable to the related organization.

See the DEFINITIONS section for a definition of related-party.

EXCEPTIONS TO THE RELATED-PARTY RULE

An exception (1 TAC §355.102(i)(5)) is provided to the general rule applicable to related organizations if the contracted provider demonstrates on each report that certain criteria have been met. If **all of the conditions** of this exception are met, the charges by the related-party supplier to the contracted provider for such services are allowable costs. **The contracted provider must submit documentation either prior to or upon submission of the report to demonstrate that all of the following criteria have been met:**

- The supplying organization is a bona fide separate organization.
- A majority of the supplying organization's business activity is transacted with other organizations not related to the contracted provider.
- There is an open, competitive market for the type of services furnished by the related organization.
- The services are those that commonly are obtained by entities such as the contracted provider from other organizations and are not a basic element of contracted client care.
- The charge to the contracted provider is comparable to open market prices and does not exceed the charge made to others.

If Medicare has made a determination that a related-party situation does not exist or has granted an exception to the related-party definition, and you desire that HHSC accept that determination, you must submit a copy of the applicable Medicare determination, along with evidence supporting the Medicare determination for the current reporting period with each affected report. If the exception granted by Medicare is no longer applicable due to changes in circumstances of the contracted provider or because the circumstances do not apply to the contracted provider, HHSC can choose not to accept the Medicare determination.

SECTION 1A

Complete this section if contract attendant/medication aide/driver services were purchased from a related organization (for related individuals, see Section 1B).

Column A (Name of Related Party/Organization) - Enter the name of the related party or organization. If the contracted provider is a proprietorship, the related organization could be the individual owner rather than a separate corporation. If the

contracted provider is a partnership, the related organization could be one of the partners. Refer to the DEFINITIONS section for information regarding related parties.

Column B (Percentage of Ownership) - Enter the percent of the contracted provider owned by the related party. For example, if the contracted provider is a 50-50 partnership and the related party in Column A was one of the partners, the percentage of common ownership would be 50%. If the contracted provider is one "branch" of a central corporation and the related party in Column A was the central office, the percentage of common ownership would be 100%. If the contracted provider is a corporation and the related party in Column A was a stockholder with 2% of the stock, then the percentage of common ownership would be 2%.

The percentage of common ownership may be 0% if the related-party is deemed related due to control (including being a member of the contracted provider's Board of Directors) or the existence of an immediate family relationship (other than a spousal relationship in a community property state in which case the percentage of common ownership would be the same as the owner's/stockholder's). In situations where the percentage of common ownership is 0%, a properly cross-referenced attachment should explain how the individual meets the criteria as a related party.

Column C (Description of Purchased or Leased Services) - Describe the services purchased or leased from the related party.

Column D (Cost to Provider) - This amount should be the exact cost incurred (and paid within the acceptable accrual period) by the contracted provider for the purchased/leased services.

Column E (Cost to Related Party/Organization) - This amount should be the exact cost to the related organization and should be the amount reported on the report.

SECTION 1B

Complete this section if contract attendant services were purchased from a related individual (for related organizations, see Section 1A). If the related individual is an employee of the contracted provider, a controlling entity, or other related party, do not complete this section, but rather complete Schedule C.

Column A (Name of Related-Party Individual) - Enter the name of the person who is the related party. If the contracted provider is a proprietorship, the related party could be the individual owner. If the contracted provider is a partnership, the related party could be one of the (individual) partners. Only individuals should be listed in this column; services purchased from related organizations should be reported in Section 1A, not 1B. Refer to the DEFINITIONS section for information regarding related parties.

Column B (Percentage of Ownership) - Enter the percent of the contracted provider owned by the related individual. If the contracted provider is a 50-50 partnership and the related party in Column A was one of the partners, the percentage of common ownership would be 50%. If the contracted provider is a

corporation and the related party in Column A was a stockholder with 4% of the stock, then the percentage of common ownership would be 4%.

The percentage of common ownership may be 0% if the related-party is deemed related due to control (including being a member of the contracted provider's Board of Directors) or the existence of an immediate family relationship (other than a spousal relationship in a community property state in which case the percentage of common ownership would be the same as the owner's/stockholder's). In situations where the percentage of common ownership is 0%, a properly cross-referenced attachment should explain how the individual meets the criteria as a related party.

Column C (Description of Service Performed) - Enter a description of the service performed.

Column D (Total Hours Worked in Program) - Enter the total hours the related individual worked in the program during the entire reporting period. Itemized invoices and/or timesheets should substantiate the amount reported in this column. Dividing the total compensation received from Column E by the total hours worked from Column D should result in the average compensation per hour for the services described in Column C.

Column E (Total Compensation Earned) - Enter the amount of compensation the related-party individual received during the reporting period for the services described in Column C. This amount should be the amount included in the report.

Schedule C

This schedule must be completed by **every** contracted provider that has an owner-employee or other related-party employee acting as an attendant regardless of whether the owner-employee or other related-party employee received **any compensation** for their services during the reporting period.

For reporting purposes, an employee who meets the definition of a related party or an owner who is a sole proprietor, a partner owning 5% or more of the partnership, or a corporate stockholder owning 5% or more of the outstanding stock of the contracted provider must report their compensation on a Schedule C (these meet the definition of an "owner-employee").

If no compensation was paid, received, or properly accrued during the reporting period for an owner-employee or a related-party employee, provide an explanation in Part 1 - allocation method on why no compensation is being reported. Also, enter "0" as the amount in Part 2 - Associated Services Salaries & Wages section.

An organizational chart must be submitted electronically indicating the owner-employee's or the related-party employee's name and position within the organization. When organizational structures are composed of several corporations and the owner-employee and/or other related-party employee is associated with more

than one of the corporations, it is necessary to submit at least two organizational charts: one picturing the entire organizational structure of various corporations and one detailing the organizational structure of the corporation providing the services covered by the specific RFR.

Allowable Compensation (see 1 TAC §355.103(b)(2))

Allowable compensation for an owner-employee or other related-party employee is governed by the principles that the services rendered are necessary functions, that the compensation is for the reasonable value of services rendered, that the compensation is not based on profitability, and that the services performed do not duplicate those performed by another employee of the facility.

A function is deemed necessary when, if the owner or related party had not performed said function, the facility would have had to employ another person to perform that function. To be necessary, a function must pertain to direct or indirect activities in the provision or supervision of contracted resident services.

The test of reasonableness requires that the compensation of owner-employees and other related-party employees be such an amount as would ordinarily be paid for comparable services performed by non-owners or unrelated parties. Reasonable compensation is limited to the fair market value of services rendered by the owner-employee or other related-party employee in connection with resident care. Education and experience of the owner are pertinent only as they relate to the job being performed and the services being rendered, in this case, attendant services.

NOTE: Record all monetary amounts rounded to the nearest whole dollar (with no zeros included for cents).

PART 1 - COMPENSATION

Name - Indicate the name (Last Name, First Name, and Middle Name/Initial) of the owner-employee or the related-party employee.

Title - Indicate the title of the owner-employee or other related-party employee. The title must correspond to the title indicated on the organizational chart submitted.

Position Type - Identify the type of position filled by the owner-employee or other related-party employee. Only attendant positions should be included in this RFR.

Location of Position Within Organizational Structure - Indicate the location of the owner-employee's or other related-party employee's position within the organizational structure (i.e., facility, contracting entity, a controlling entity, or parent company/sole member/related-party management company). The location of position should relate to the organizational chart(s) attached to the RFR.

Description of Duties - Provide a description of the duties performed by the owner-employee or other related-party employee as they relate to the specific RFR or attach and properly cross-reference a copy of the person's written job

description and provide a summary of how those duties relate to the specific RFR. See 1 TAC §355.105(b)(2)(B)(xi). Only attendant positions should be included on this RFR.

Relationship to Provider - Indicate the owner-employee's or other related-party employee's relationship to the contracted provider. If the schedule is being completed for an owner-employee, indicate that the employee is an owner and describe the type of ownership (e.g., owner-sole proprietor; owner- % partner; owner- % stockholder). If the schedule is being completed for a related-party employee other than the owner, identify the relationship (e.g., husband of owner-sole proprietor; daughter-in-law of % partner; brother of % stockholder). If the schedule is being completed for a member of the Board of Directors (related through control), identify that fact in this item.

Direct Costing Method - If the services provided by this employee benefited more than the contract for which an RFR is being completed, the salary must be directly charged based upon timesheets. Describe the basis upon which the compensation has been directly charged to this report or between line items. For example, you might state that the salary has been directly charged based upon daily timesheets.

Percentage of Ownership - If the schedule is being completed for an owner-employee, enter the percentage of ownership for that employee. If the schedule is being completed for a related-party employee who has no ownership interest, enter "0" as the ownership percentage. If the schedule is being completed for a related-party employee who is the spouse of an owner in a community property state, indicate the same ownership percentage as the owner.

Number of Hours Worked - Report the number of hours worked during the reporting period by the employee in order to earn the total compensation indicated. In other words, if the total compensation was divided by the number of hours worked, the result would be the employee's average compensation per hour.

PART 2 – ALLOCATION OF COMPENSATION

Breakdown of Total Compensation - Provide a breakdown by business component of how the total allowable compensation reported was directly charged. If the owner-employee or other related-party employee performed both attendant and nonattendant functions for this contract, provide a breakdown between the employee's attendant and nonattendant compensation.

The compensation for the owner-employee or other related-party employee must include the total compensation received from all business entities (components) that benefit from his/her effort or work. If the business component has a state of Texas vendor/provider number, report the number in the business component blank (e.g., RC #XXXXXXXXX; DAHS #XXXXXXXXX; CLASS #XXXXXXXXX).

Compensation should be directly charged to each business entity based either on the level of effort involved in providing services to or working for the entity (and supported by daily timesheets).

Compensation includes regular salary, overtime pay, bonuses and any other forms of compensation subject to payroll taxes, as well as any accrued compensation that had not been paid to the employee at the end of this reporting period. (Note: Accrued expenses must be paid within 180 days after the end of the reporting period in order to be allowable for reporting purposes.)

Total Compensation - The amount indicated as the Total Compensation is automatically calculated based on the amounts reported for each business component.

% of Total Hours - Report the percentage of the employee's total hours in Part 1 directly charged to this report. Report the percentage with two decimal places (i.e., 33.33%).

% of Total Compensation - Report the percentage of the total employee compensation calculated in Part 2 that has been directly charged to this report. Report the percentage with two decimal places (i.e., 33.33%).

Associated Services Salaries & Wages - Select the service type from the drop-down list and report the salaries and wages of the owner-employee or other related-party employee.

Certification Pages

Report Certification

This page must be completed and signed electronically by an individual legally responsible for the conduct of the provider, such as an owner, partner, Corporate Officer, Association Office, governmental official or L.L.C. member.

Multi-contract organizations participating as individuals may submit one RFR containing original signatures. All other reports submitted by the multi-contract provider can be submitted with copies of the original certification page. For multi-contract organizations that choose this option:

- The original certification page must include a list of the 9-digit contract numbers of the reports being submitted with copies of the original certification page; and
- The copies of the original certification page must indicate the 9-digit contract number of the report being submitted with the original certification page.

Methodology Certification

This page must be signed electronically by the person identified on the cover page of this report as PREPARER. This person must be the individual who actually prepared the report or who has primary responsibility for the preparation of the report for the

provider. Signing as PREPARER carries the responsibility for an accurate and complete report prepared in accordance with applicable methodology rules and instructions. Signing as PREPARER signifies that the preparer is knowledgeable of the applicable methodology rules and instructions and that the preparer has either completed the report himself/herself in accordance with those rules and instructions or has adequately supervised and thoroughly instructed his/her employees in the proper completion of the report. Ultimate responsibility for the report lies with the person signing as PREPARER. If more than one person prepared the report, an executed Methodology Certification page may be submitted by each preparer. Preparers should make note of the additional statement on Page 8, notifying preparers that they may lose their authority to prepare future reports if the reports are not prepared in accordance with all applicable rules, instructions and mandatory training materials.

STATE OF TEXAS COUNTY CODES

| <u>County Name / Code</u> |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Anderson 001 | Crockett 053 | Hays 105 | Mason 157 | Shackelford 209 | | | |
| Andrews 002 | Crosby 054 | Hemphill 106 | Matagorda 158 | Shelby 210 | | | |
| Angelina 003 | Culberson 055 | Henderson 107 | Maverick 159 | Sherman 211 | | | |
| Aransas 004 | Dallam 056 | Hidalgo 108 | McCulloch 160 | Smith 212 | | | |
| Archer 005 | Dallas 057 | Hill 109 | McLennan 161 | Somervell 213 | | | |
| Armstrong 006 | Dawson 058 | Hockley 110 | McMullen 162 | Starr 214 | | | |
| Atascosa 007 | Deaf Smith 059 | Hood 111 | Medina 163 | Stephens 215 | | | |
| Austin 008 | Delta 060 | Hopkins 112 | Menard 164 | Sterling 216 | | | |
| Bailey 009 | Denton 061 | Houston 113 | Midland 165 | Stonewall 217 | | | |
| Bandera 010 | DeWitt 062 | Howard 114 | Milam 166 | Sutton 218 | | | |
| Bastrop 011 | Dickens 063 | Hudspeth 115 | Mills 167 | Swisher 219 | | | |
| Baylor 012 | Dimmit 064 | Hunt 116 | Mitchell 168 | Tarrant 220 | | | |
| Bee 013 | Donley 065 | Hutchinson 117 | Montague 169 | | | | |
| Taylor 221 | | | | | | | |
| Bell 014 | Duval 066 | Irion 118 | Montgomery 170 | Terrell 222 | | | |
| Bexar 015 | Eastland 067 | Jack 119 | Moore 171 | Terry 223 | | | |
| Blanco 016 | Ector 068 | Jackson 120 | Morris 172 | Throckmorton 224 | | | |
| Borden 017 | Edwards 069 | Jasper 121 | Motley 173 | Titus 225 | | | |
| Bosque 018 | Ellis 070 | Jeff Davis 122 | Nacogdoches 174 | Tom Green 226 | | | |
| Bowie 019 | El Paso 071 | Jefferson 123 | Navarro 175 | Travis 227 | | | |
| Brazoria 020 | Erath 072 | Jim Hogg 124 | Newton 176 | Trinity 228 | | | |
| Brazos 021 | Falls 073 | Jim Wells 125 | Nolan 177 | Tyler 229 | | | |
| Brewster 022 | Fannin 074 | Johnson 126 | Nueces 178 | Upshur 230 | | | |
| Briscoe 023 | Fayette 075 | Jones 127 | Ochiltree 179 | Upton 231 | | | |
| Brooks 024 | Fisher 076 | Karnes 128 | Oldham 180 | Uvalde 232 | | | |
| Brown 025 | Floyd 077 | Kaufman 129 | Orange 181 | Val Verde 233 | | | |
| Burleson 026 | Foard 078 | Kendall 130 | Palo Pinto 182 | Van Zandt 234 | | | |
| Burnet 027 | Fort Bend 079 | Kenedy 131 | Panola 183 | Victoria 235 | | | |
| Caldwell 028 | Franklin 080 | Kent 132 | Parker 184 | Walker 236 | | | |
| Calhoun 029 | Freestone 081 | Kerr 133 | Panner 185 | Waller 237 | | | |
| Callahan 030 | Frio 082 | Kimble 134 | Pecos 186 | Ward 238 | | | |
| Cameron 031 | Gaines 083 | King 135 | Polk 187 | Washington 239 | | | |
| Carnes 032 | Galveston 084 | Kinney 136 | Potter 188 | Webb 240 | | | |
| Carson 033 | Garza 085 | Kleberg 137 | Presidio 189 | Wharton 241 | | | |
| Cass 034 | Gillespie 086 | Knox 138 | Rains 190 | Wheeler 242 | | | |
| Castro 035 | Glasscock 087 | Lamar 139 | Randall 191 | Wichita 243 | | | |
| Chambers 036 | Goliad 088 | Lamb 140 | Reagan 192 | Wilbarger 244 | | | |
| Cherokee 037 | Gonzales 089 | Lampasas 141 | Real 193 | Willacy 245 | | | |
| Childress 038 | Gray 090 | LaSalle 142 | Red River 194 | Williamson 246 | | | |
| Clay 039 | Grayson 091 | Lavaca 143 | Reeves 195 | Wilson 247 | | | |
| Cochran 040 | Gregg 092 | Lee 144 | Refugio 196 | Winkler 248 | | | |
| Coke 041 | Grimes 093 | Leon 145 | Roberts 197 | Wise 249 | | | |
| Coleman 042 | Guadalupe 094 | Liberty 146 | Robertson 198 | Wood 250 | | | |
| Collin 043 | Hale 095 | Limestone 147 | Rockwall 199 | Yoakum 251 | | | |
| Collingsworth 044 | Hall 096 | Lipscomb 148 | | Runnels 200 | | | |

Young	252								
Colorado	045	Hamilton	097	Live Oak	149	Rusk	201	Zapata	253
Comal	046	Hansford	098	Llano	150	Sabine	202	Zavala	254
Comanche	047	Hardeman	099	Loving	151	San Augustine		203	
Concho	048	Hardin	100	Lubbock	152	San Jacinto		204	
Cooke	049	Harris	101	Lynn	153	San Patricio		205	
Coryell	050	Harrison	102	Madison	154	San Saba	206		
Cottle	051	Hartley	103	Marion	155	Schleicher	207		
Crane	052	Haskell	104	Martin	156	Scurry	208		